

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	Chapter 11
	:	
FRANCHISE GROUP, INC.,	:	
	:	Case No. 24-12480
	:	(LSS)
	:	
Reorganized Debtor.	:	(Jointly Administered)
	:	
	:	Obj. Deadline: 1/6/25 at 4:00 p.m. (ET)
	:	Hearing Date: 10/15/25 at 10:00 a.m. (ET)
	:	

**RESPONSE BY THE TENNESSEE DEPARTMENT OF REVENUE TO THE
REORGANIZED DEBTORS' SECOND OMNIBUS OBJECTION TO CLAIMS**

The Tennessee Attorney General, Jonathan Skrmetti, through undersigned counsel, on behalf of the Tennessee Department of Revenue (TDOR) respectfully files this Response to the Reorganized Debtors' Second Omnibus Objection to Claims.

IN SUPPORT THEREOF, it will be shown as follows:

1. The Department is a tax creditor.
2. The Reorganized Debtor has objected to the Department's pre-petition tax claims, numbered 2300 in the amount of \$2,667.88 and numbered 2299 in the amount of \$92,313.61. The Department's claims are made of estimates due to the taxpayers' failure to file tax returns. The Reorganized Debtors' basis for the objection is that claim number 2300 is incorrectly asserted against PSP Stores, LLC and claim 2299 is incorrectly asserted against PSP Franchising, LLC. The Department's books and records show that the claims are valid and correct. The Department objects to the disallowance of claim 2300 and claim 2299.
3. Pursuant to T.C.A. §67-1-1438, the Department is authorized to generate an

estimated assessment for tax liability where a taxpayer fails to file a return. The assessment is presumed correct unless the taxpayer submits returns or other evidence of the liability.

4. A proof of claim is prima facie evidence of the validity and amount of the claim.

Fed.RulesBankr.Proc.Rule 3001(f), 11 U.S.C.A. The Reorganized Debtor has not provided any evidence to rebut the validity of the claim.

THEREFORE, the Department requests that the Court enter an Order overruling the Reorganized Debtors' Objection and allowing claim 2300 and claim 2299 as filed, and such further relief as the Court deems appropriate to protect the State of Tennessee.

This the 3rd day of October, 2025.

Respectfully Submitted,

Tennessee Attorney General & Reporter
JONATHAN SKRMETTI

/s/ Laura L. McCloud
LAURA L. MCCLOUD (TN BPR 16206)
Senior Assistant Attorney General
P.O. Box 20207
Nashville, TN 37202
(615) 532-8933
e-mail Lauralea.mccloud@ag.tn.gov

Attorney for the Tennessee Department of
Revenue

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was sent electronically to all parties receiving electronic notice on October 3, 2025.

/s/ Laura L. McCloud
LAURA L. MCCLOUD (TN BPR 16206)
Senior Assistant Attorney General